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CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

11 January 1968

MEMORANDUM FOR THE RECORD

SUBJECT: 10 January meeting in the Office of the General
Counsel concerning Project AERODYNAMIC

Meeting attended by [], OGC; []
and [], SB/CA

1. The meeting was held at the request of []
to discuss the current status of the dissolution and reorganization
of Prolog. Establishment of a commercial entity ("New York
Business Corporation") as the new cover for the New York
personnel was determined to be the best and most practical
of the alternatives considered. As a result of President
Johnson's latest executive order against foreign investments,
various new problems would arise if a foreign entity were
used to serve as the employer of the New York personnel.
The group also would be subject to more inquiries and closer
scrutiny by New York authorities if involved with a foreign
establishment. The idea of merging the New York office
with that of Suchasnist in Munich would create problems
for the Munich organization. The interest of German
authorities would be aroused if Suchasnist suddenly expanded
financially to the extent necessary in order to handle the
Prolog payroll and other activities. Furthermore a New York
Commercial Corporation of scope and nature envisaged would
appear most normal and call for less probing interest
on the part of Federal and State internal revenue authorities
than the alternatives considered. A legally established
commercial organization in New York would not have its
records or tax submissions subject to public scrutiny.

2. [] felt it might be possible to have
the new commercial enterprise established within the next
two weeks, so that it would be ready to accept funds
needed for operational and administrative purposes, and to
permit the transfer of the insurance and retirement plans
for the New York personnel simultaneously with the
liquidation of the presently existing corporation. He
expected the liquidation proceedings would involve more
time than would the establishment of a new commercial
organization.

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3. [] will go to New York next week (probably Tuesday) to brief Mr. Czajkowski, Prolog's bookkeeper, concerning the records and forms which will need to be executed to effect the liquidation of the present corporation and transfer to the new entity and to familiarize himself firsthand with any problems existing or which may come up during the transfer. [] also will talk with [], the cleared lawyer in New York, who was consulted previously on possible alternatives for reincorporation of Prolog in New York and who will be involved in the legal aspects of the dissolution and transfer. Ann Stunder will accompany Mr. Morrison to make the necessary introductions.

4. The New York business corporation is theoretically a profit-making entity and in order to avoid unnecessary curiosity and scrutiny should show a slight profit. Ostensible source of fund would be research contracts from overseas clients as reflected in a dummy file in New York which under foreseeable circumstances would not be subject to outside inspection.

5. The problem of the next issue of the Digest of the Soviet Ukrainian Press, due around 1 February, was discussed. It was felt that the best way to handle it would be to have the Digest published in Munich with Suchasnist (or the Ukrainian Association for Foreign Studies, which publishes Suchasnist) shown as the publisher. This issue would be accompanied by a letter from Prolog informing the subscriber that, for reasons of economy and perhaps other reasons, the Digest will hereafter be published in Munich by Suchasnist.

6. Prolog Research and Publishing Association's correspondence will continue on existing letterhead until the actual liquidation of the Association.

7. Although it is planned that the word "Prolog" will appear in some form in the title of the new corporation the actual name depends on its suitability with reference to names already registered as business corporations.

8. [] said he would brief [] of CCS concerning the foregoing matters discussed at today's meeting.

[] SB/CA []

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